THE EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION CONTAINED IN THIS FILING STATEMENT, WHICH IS A REPRODUCTION OF THE ORIGINAL FILED WITH THE EXCHANGE BY THE COMPANY AND IS ISSUED FOR INFORMATION PURPOSES ONLY. THIS FILING STATEMENT IS NOT TO BE REPRODUCED IN WHOLE OR IN PART WITHOUT THE WRITTEN APPROVAL OF THE TORONTO STOCK EXCHANGE.

AR84

THE TORONTO STOCK EXCHANGE

1/8/68

FILING STATEMENT NO. 1633.
FILED, AUGUST 21st, 1968.

PLACE GAS & OIL COMPANY LIMITED

Full corporate name of Company

Incorporated under Part IV of The Corporations Act (Ontario) by Letters Patent dated May 6th, 1958

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to previous Filing Statement No. 1539.

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	(a) Underwriting agreement (See Item 6) (b) Change in a Director (See Item 3) (c) On October 2nd, 1967, Place Oil & Gas Company (U.K.) Limited (hereinafter called the "U.K. Company a wholly owned subsidiary company of Place Gas & Oil Company Limited, acquired petroleum licences covering 359 square kilometres in the Wash Area off the Counties of Lincoln and Norfolk in England, 469 square kilometres in the Lancashire Area off the County of Lincoln in England and 490 square kilometres in the Counties of Lancaster, Westmorelan and York in England. (See Item 11).
2. Head office address and any other office address.	Suite 605, 80 Richmond Street West, Toronto, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	Clifford R.J. Smith, 41 Arjay Crescent, Willowdale, Ontario - Oil Executive - President and Director. Sir Michael Butler, Bart., Q.C., 2521 Point Gray Road, Vancouver, B.C. - Barrister and Solicitor - Vice-President and Director. J. David S. Bohme, Q.C., 120 Glencairn Avenue, Toronto, Ontario - Barrister and Solicitor - Secretary and Director. Percy G. Turner, 29 McRae Drive, Toronto, Ontario - Chartered Secretary - Treasurer. John A. Bailey, 59 Highland Crescent, Willowdale, Ontario - Land Developer - Director. Donald C. Early, 382 Old Yonge Street, Toronto, Ontario - Investment Dealer - Director. William H. German, 20180 Lakeshore Boulevard, Baie D'Urfe, Quebec - Naval Architect - Director. Professor W. Daniel Gill, 85 Platt's Lane, Hamstead, London, N.W.3, England - University Professor - Director. Vincent N. Harbinson, 10 Benvenuto Place, Toronto, Ontario - Chartered Accountant - Director. James E. Houston, 68 Douglas Drive, Toronto, Ontario - Investment Dealer - Director. Mr. Paul E. Lafontaine, Q.C., who was elected a Director of the Company at the annual meeting held on the 21st day of June, 1968, died on the 21st day of July, 1968 and no successor has been elected. *Professor Gill was elected a Director of the Company at the Annual Meeting of Shareholders held on June 21, 1968.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized - 6,000,000 shares of $1.00 par value Issued - 5,050,007
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None outstanding
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	By agreement dated July 30th, 1968, Ellis H. Smouha, 82 Route de Florissant, Geneva, Switzerland, has agreed to purchase 100,000 shares of the capital stock of the Company at $1.70 per share payable fort with after the date upon which the filing statement is accepted by the Toronto Stock Exchange and by the Canadian Stock Exchange. Mr. Smouha has purchased the aforementioned shares for investment purposes only and has agreed and undertaken not to sell the shares until at least six months has expired.

7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Mr. Ellis H. Smouha is an international lawyer residing in Geneva, Switzerland.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The proceeds of the sale of 100,000 shares of treasury stock will be used for the following purposes: (a) to advance money to the U.K. Company so that it will have funds available to pay its share of the cost of drilling a third well on the licences in the North Sea in the event the Burmah-Humber Group exercises its option to drill the said well. In such event it is estimated that the U.K. Company's costs would be approximately $90,000 and further particulars relating to the agreement with the Burmah-Humber Group are set out in Item 20. In the alternative the U.K. Company will use this portion of the proceeds to further its exploration programme on its other oil and gas licences in the United Kingdom (as set out in Item 11). (b) the balance of the proceeds are required to increase the Company's working capital to enable it to procure performance bonds necessary for the drilling of four natural gas wells on its off-shore licences in the Port Dover area of Lake Erie.
10. Brief statement of company's chief development work during past year.	During the past year the Company drilled five gas wells on its wholly-owned licences in the Port Dover area off Lake Erie, Ontario, all of which were commercial and its Port Dover Gathering System was extended to facilitate production from this new gas field. After the close of the 1967 navigation season in Lake Erie and up until the opening of the 1968 navigation season the Company's field personnel were employed by using drilling facilities on land to plug abandoned wells for the Ontario Hydro in the Nantiooke area of Ontario. Two wells were drilled on the U.K. Company's licences in the North Sea pursuant to its agreement with the Burmah-Humber Group as more particularly set out in Item 20, both of which were non-commercial. In addition, and again in accordance with the agreement referred to in Item 20, detailed seismic work was carried out in the northern blocks of the North Sea acreage and reconnaissance seismic work in the southern blocks of the said acreage. The U.K. Company also made extensive geological studies on its recently acquired holdings consisting of 185 square miles on land in the Lincolnshire area and 133 square miles off-shore in The Wash area of the United Kingdom. The Company is presently engaged in negotiations to arrange a drilling programme to develop The Wash area.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	The petroleum licences in the Lincolnshire (PL.023) and Wash (PL.022) Areas, and in the Counties of Lancaster, Westmoreland and York (PL.035) were acquired from the Crown for an initial payment of $1,981.33 (Canadian). To maintain the aforementioned licences in good standing the U.K. Company must carry out geophysical work in the licensed areas and drill at least one exploration well in each licence. In addition the U.K. Company must make periodic payments amounting to $1,981.33 (Canadian) on the first and second anniversary dates and payments of $3,962.66 (Canadian) on each of the third, fourth and fifth anniversary dates. Thereafter the periodic payments increase annually during the fifteen year term of the licences. In the event of commercial production a graduated royalty is payable to the Crown from which sum may be deducted the amount of the periodic payments.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not applicable

FINANCIAL STATEMENTS

PLACE GAS & OIL COMPANY LIMITED

Incorporated Under The Laws Of The Province of Ontario

Balance Sheet as at June 30,1968

ASSETS

CURRENT:		
Cash on hand and on call	$ 25,090.50	
Accts. Rec. less allowance for doubtful accounts	14,941.52	
Prepaid Expenses	2,090.59	$ 42,122.61
Special Refundable Tax		$ 4,246.80
Investments and other interest (no quoted market value)		
Wholly owned subsidiary - shares, at cost	$ 203,552.52	
" " " advances	726,315.83	
Affiliated Company - advances	13,388.82	
Interest in Oil Syndicate, at cost	29,700.00	
Securities on Deposit	4,692.50	$ 977,649.67
CAPITAL ASSETS - at cost		
Land, Buildings, Equipment and Supplies	$ 417,832.01	
Petroleum and natural gas interests	59,370.00	
Producing Wells	718,639.63	
Other Wells	454,648.00	
Gathering Systems	469,680.04	
Suspense	28,069.35	
	$ 2,148,239.03	
Less: Accumulated depreciation and depletion	737,908.60	$ 1,410 330.43
Deferred Development and other expenses		$ 638,380.53
		$ 3,072,730.04

LIABILITIES

CURRENT:	
Accounts Payable	$ 25,426.79

SHAREHOLDERS' EQUITY

CAPITAL STOCK:

Authorized:
6,000,000 Shares of $1. par value each
Issued

	Shares	Par Value	Discount		
For Cash	3,050,007	$3,050,007	$ 452,375		
For other consideration	2,000,000	2,000,000	1,570,000		
	5,050,007	$5,050,007	$2,022,375	$ 3,027,632.00	
Earned Surplus				19,671.25	$ 3,047,303.25
					$ 3,072,730.04

Analysis of "Advances to affiliated companies

Place Gas & Oil (Australia) N.L.	$ 734.94
North Sea Marine Drillers	12,653.88
	$ 13,388.82

Approved on behalf of the Board:

_____ Director

_____ Director

PLACE GAS & OIL COMPANY LIMITED

STATEMENT OF DEFERRED DEVELOPMENT AND OTHER EXPENSES

For the Period January 1, 1968 to June 30, 1968.

Revenue:		
Gas and oil		$ 112,397.24
Miscellaneous		19,934.10
		$ 132,331.34
Head office and administrative expenses:		
Engineering	$ 12,500.00	
Taxes, insurance and rent	15,016.50	
Administration and general	36,120.34	
Shareholders' information	5,494.38	
Interest and bank charges	146.54	$ 69,277.76
Production expenses:		
Offshore Lease Rentals	$ 5,744.90	
Royalties	7,551.41	
Production	16,671.77	
Maintenance and repairs	5,760.54	$ 35,728.62
Exploratory development expenses:		
Offshore licenses of occupation	$ 1,374.00	
Well plugging	12,175.23	$ 13,549.23
		$ 118,555.61
Net revenue before depreciation and depletion		$ 13,775.73
Depreciation and depletion		$ 69,000.00
		$ 55,224.27
Balance, beginning of period		$ 583,156.26
Balance, end of period		$ 638,380.53

PLACE GAS & OIL COMPANY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Period January 1,1968 to June 30,1968.

Funds Provided		
Income from Operations	$ 132,331.34	
Less Cost of Operations	118,555.61	$ 13,775.73
Funds Applied		
Increase in Fixed Assets	$ 29,750.02	
Advances to affiliated companies	763.94	
" " wholly owned subsidiary	2,170.06	
Special refundable tax	1,210.40	$ 33,894.42
Decrease in Working Capital		$ 20,118.69
Decrease in working capital represented by:		
Decrease in cash	$ 10,777.06	
" " prepaid expenses	4,347.36	
" " accounts receivable	3,824.54	
Increase in accounts payable	1,169.73	$ 20,118.69

STATEMENT AS TO MATERIAL CHANGES

This is to certify that there have been no material changes in the affairs of Place Gas & Oil Company Limited as disclosed in its Balance Sheet dated June 30, 1968 and from that date to July 30, 1968.

DATED at Toronto this 30th day of July, 1968.

Approved on Behalf of the Board of Directors

PLACE GAS & OIL COMPANY LIMITED

Director

Director.

PLACE OIL & GAS COMPANY (U.K.) LIMITED

BALANCE SHEET AT JUNE 30th, 1968

	£	£
SHARE CAPITAL		
Authorised		
10,000 Shares of £1 each		
Issued		
1,000 Ordinary Shares of £1 each		1,000. -. -.
The Capital is represented by:-		
CURRENT ASSETS		
Bank Balance and Petty Cash Funds	15,456.12. 8.	
Debtors	9,507.10. 1.	24,964. 2. 9.
Furniture and Equipment at cost		51.14.10.
DEVELOPMENT EXPENDITURE		
Seismic Surveys, Consultants' Fees, etc.	14,900.17. 8.	
Petroleum Interests including Licences and Application Fees	3,804. 5.11.	
Administration including Travelling	8,780. 5. 4.	
Whitmoor Well, subsequently abandoned	43,080. 2. 7.	70,565.11. 6.
INVESTMENT IN CONSORTIUM AT COST		164,619. 4. -.
FORMATION EXPENDITURE		312. -. 1.
		260,512.13. 2.
LESS:		
CURRENT LIABILITIES		
Place Gas & Oil Co. Ltd.	240,082.10. 4.	
Creditors	19,430. 2.10.	259,512.13. 2.
ISSUED CAPITAL		1,000. -. -.

..... DIRECTOR

..... DIRECTOR.

PLACE OIL & GAS COMPANY (U.K.) LIMITED

STATEMENT OF EXPENDITURE FOR THE PERIOD FROM JANUARY 1, 1968 TO JUNE 30, 1968.

	£	£
Development Expenditure		
Consultants' Fees and Expenses	541. 9. 4.	
Seismic Surveys and Expenses	nil	
	541. 9. 4.	
Apportioned to Consortium Expenditure	nil	541. 9. 4.
Administration Expenditure		
Travelling	304. 3.10.	
Telephone	531.11. 1.	
Legal Expenses	nil	
Miscellaneous Expenses	108.19. 3.	
Auditors Fees	77. -. -.	
	1,021.14. 2.	
Apportioned to Consortium Expenditure	nil	1,021.14. 2.
Investment in Consortium		
Deep Sea Operations	2,044.15. 6.	
Seismic Surveys and Expenses	1,321. 9.11.	
Consultants' Fees and Expenses	2,165.19. 2.	
Travelling	1,048.17. 4.	
Place-Burmah Wells Nos. 1 and 2	60,037. 3. 3.	
Administration	1,240. 7. 8.	
	67,858.12.10.	
Portion contributed by Noranda Mines Limited and Husky Oil (Alberta) Limited	37,322. 5. 4.	30,536. 7. 6.
		32,099.11. -.

PLACE OIL & GAS COMPANY (U.K.) LIMITED

Statement of Source and Application of Funds for the Period January 1,1968 to June 30, 1968.

Funds Applied

Deferred Development and Administration Expenses	£	32,099.11.10.
Decrease in Working Capital	£	32,099.11.10.

Decrease in Working Capital represented by:-

Decrease in Bank Balance	£	52,146.19.11.
Decrease in Accounts Receivable		28,116. 1. 8.
Increase in Advances from Parent Co.		831. -. -.
	£	81,094. 1. 7.
Less:- Decrease in Accounts Payable	£	48,994. 9. 9.
For a Decrease in Working Capital of	£	32,099.11.10.

Approved on behalf of The Board of Directors

Director.

Director.

PLACE OIL & GAS COMPANY (U.K.) LIMITED

STATEMENT OF EXPENDITURE

FOR THE PERIOD FROM MAY 17, 1963 (THE DATE OF INCORPORATION) TO DECEMBER 31, 1967

	£	£	£
Development expenditure			
Consultants' fees and expenses		4,677	
Seismic surveys and expenses		15,799	
		20,476	
Apportioned to Consortium expenditures		6,117	
			14,359
Petroleum interests			
Licenses and application fees		3,184	
Legal expenses		620	
			3,804
Administrative expenditure			
Travelling		6,613	
Telephone		672	
Legal expenses		1,395	
Miscellaneous expenses		491	
Audit fee		804	
		9,975	
Apportioned to Consortium expenditures		2,217	
			7,758
Whitmore Well, subsequently abandoned			43,080
Formation expenditure			
Legal expenses			312
Investment in Consortium			
Licenses		45,246	
Seismic surveys and expenses		136,959	
Consultants' fees and expenses		12,217	
Travelling		11,253	
Legal		1,500	
Administrative		3,137	
Burmah #1		89,103	
		299,575	
Portion contributed by Noranda Mines Limited, Kerr Addison Mines Limited and Husky Oil (Alberta) Limited	164,766		
Revenue	726		
		165,492	
			134,083
			203,396

STATEMENT AS TO MATERIAL CHANGES

This is to certify that there have been no material changes in the affairs of Place Oil & Gas Company (U.K.) Limited as disclosed in its Balance Sheet dated June 30, 1968 and from that date to July 30, 1968.

DATED at Toronto this 30th day of July, 1968.

Approved on behalf of the Board of Directors.

PLACE OIL & GAS COMPANY (U.K.) LIMITED

Director

Director

STATUTORY DECLARATION

In the matter of a Filing Statement

PLACE GAS & OIL COMPANY LIMITED

dated July 30, 1968.

I, ELLIS H. SMOUHA, of Geneva, Switzerland,

DO SOLEMNLY DECLARE THAT:

1. I am the Underwriter named in the Underwriting Agreement with Place Gas & Oil Company Limited dated July 30, 1968, and as such have knowledge of the facts herein deposed to.

2. That I have read the Filing Statement referred to above and the information contained therein is true and correct to the best of my knowledge, information and belief.

I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

DECLARED at 42 Ashley Gardens,
London S.W.1., England, this
thirteenth day of August 1968
before me:

NOTARY PUBLIC.
LONDON.

DE PINNA, SCORERS & JOHN VENN
12, WHITEHALL
LONDON, S.W.1
Notaries Public

ENGINEER'S REPORT

PLACE OIL AND GAS COMPANY (U.K.) LIMITED.

Report on
Operations in the North Sea
and United Kingdom,
1967-1968.

General Activity in the North Sea.

The high level of drilling activity in the British North Sea in 1966 was maintained during 1967 to 1968 and further significant gas discoveries were made in 1967, notably by the Phillips Company in block 52/5; Placid Oil Company in block 48/21; and by the Signal Oil Company in block 53/4. In 1968 Gulf made an important discovery in block 47/8 which is referred to below. In addition extensions to the Leman Bank, Indefatigable, and Hewett fields have proved up higher reserves and at the time of writing the total estimated recoverable reserves of gas in the British North Sea are reported as 25 to 30 trillion cubic feet.

By the middle of 1968 a total of one hundred and sixty-nine wells had been drilled in the North Sea of which sixty-two are gas productive. The West Sole field of British Petroleum was placed on stream in June 1967 with production increasing to a peak averaging 100 million cubic feet per day by June 1968; and it is anticipated that the Leman Bank field which is now linked to shore by a 30-inch pipeline will commence production in 1968 when negotiations with the Gas Council over the gas price have been settled.

This matter of the price to be paid by the Gas Council for North Sea gas is still under discussion between Shell and Amoco, the Gas Council and the Ministry

of Power in regard to the Leman Bank and Indefatigable fields; but Arpet and Phillips have agreed a price of 2.87d. per therm.

The pattern of gas field discovery in the North Sea remains largely unchanged with the fields now concentrated in a belt between latitudes 52°50' North and 54° North. All wells drilled outside this "favoured belt" have been dry and several unsuccessful wells have been drilled in the Tertiary basin in Scottish waters.

The concentration of fields in the "favoured belt" continues to maintain the prospective position of the Company's holdings which lie within this belt to the West and this was further emphasized by the discovery of oil as well as gas by the Placid Oil Company in block 48/21 in July 1967 where a well flowed on test 600 barrels per day of light gravity oil and about 100 million cubic feet of gas per day on open flow from the basal Permian Rotliegendes sand, the main gas reservoir in the North Sea.

This discovery, only twelve miles East of the Company's Licences, is particularly significant since it demonstrates, first, that important quantities of gas can be trapped in the Rotliegendes sand in seismic features similar to those found in Licences P.045 and P.080; and, secondly, that there are enhanced prospects for finding oil as well as gas in this near-shore region of the North Sea.

Even more encouraging to the prospects of the Company's Licences was the discovery in May 1968 of a new gas field by Gulf in block 47/8. The discovery well 47/8-1 tested up to 35 million cubic feet per day, also from Rotliegendes sand, and the field is now being

delineated by outstep drilling. The fact that the discovery is less than three miles from the boundary with the Company's Licence P.080 (block 47/7) emphasizes still further the high level of prospective interest of the Licences.

North Sea Operations in Licences P.045 and P.080.

As in 1966 no further Production Licences in the North Sea were issued by the Ministry of Power during 1967 and the holdings remain unchanged. The total holdings comprise 695.52 square miles (445,130 acres) divided into ten contiguous blocks designated as Licences P.045 (nine blocks) and P.080 (one block). Both Licences were granted for a period of six years, after which not less than 50 per cent. of the area of each must be surrendered. Licence P.045, issued in 1964, now has a life of two years and Licence P.080, issued in 1965, a life of three years.

No annual rentals are payable on these Licences and, as shown below, the drilling commitments under the terms of the Licences have now been met.

Following discussions with the Burmah Oil Company early in 1967 the Company, together with Noranda Mines Limited, Kerr Addison Mines Limited, and Husky Oil (Alberta) Limited, entered into agreement in April 1967 with the Burmah Humber Group, comprising Burmah Oil Exploration Company Limited (30%); Imperial Chemical Industries Limited (25%); Gulf Oil (Great Britain) Limited (25%); North Sea Ventures Limited (10%) and the North Sea Selection Group (10%), whereby the Burmah Humber Group undertook to drill two wells in the Company's holdings, bearing 75 per cent. of the cost of each, the first well to be commenced not later than 30th September

1967 and the second not later than 30th June 1968. It was agreed with the Ministry of Power that these two wells would meet the drilling commitment of the Place Group under the terms of the Production Licences; and entitle the Burmah Humber Group to a $33\frac{1}{3}$ per cent. undivided interest in the Licences. Provision was also made for an optional third well under similar terms whereby the Burmah Humber Group would increase their interest to 50 per cent.

It was also agreed that further detailed seismic work should be undertaken in the Northern blocks as well as reconnaissance seismic work in the Southern blocks, the cost to be shared between the Place and Burmah Humber Groups. This work, comprising about 250 miles of traverse, was carried out in July-August and following interpretation of the data the first location was selected in block 47/18. The well was spudded in with Ocean Prince on 22nd September and the rig released after abandonment at 8058 feet on 31st October. Coring and testing was carried out in the Permian formation but only traces of oil and gas were recovered in spite of encouraging indications on logs and samples.

The well was essentially a test of the Permian Zechstein carbonates which overlie the Rotliegendes sand, where reef development was expected; but in spite of the lack of success, this first well demonstrated for the first time by the presence of oil and gas in the section, that the Licences are within a petroliferous province and that further search would be amply justified.

A second well was therefore scheduled and a location in block 47/29A was selected to test Rotliegendes sand prospects in the early part of 1968. The well 47/29A-1

was spudded on 29th January and reached total depth of 5,875 feet in nineteen days. Gas shows were encountered but in spite of excellent porosity and evidence of hydrocarbons both in the Zechstein and Rotliegendes test results were disappointing. Subsequent analysis of the subsurface data showed that the well, which was located to test prospects in the Southern wedge zone of the Rotliegendes, was possibly in the edge-water zone of a trap to the South, so encouraging the hope that a second well in this block a few miles to the South of 47/29A-1 would meet with success.

There are now therefore two main prospective areas within the Licences which require evaluation by further drilling: the wedge-out Rotliegendes play in the Southern part of the acreage and block 47/7 near the Gulf field in block 47/8. Discussions are now being held in this regard with the Company's partners in the Burmah Humber Group.

UNITED KINGDOM.

The Company's onshore Licences in the Wash, Fenland and Lancaster Fells expired in 1966 and applications were then made for further Licences as described below.

The Wash Area.

In 1966 application was made for renewal of the Licence formerly held in the Wash and the Ministry of Power granted the Company a new Licence, designated PL 022, for a six-year period from 1st September 1967. This comprises the Southeastern half of the Wash, the other half being licensed to another company.

By acquiring this acreage in the Wash, which comprises 139 square miles, the Company has been able to extend its offshore interests into the wedge belt of the Permian which is stratigraphically prospective.

Arrangements are now being made for a test well to be drilled on the fringing land strip to the Wash Licence at Hunstanton in Norfolk.

The Lincolnshire Area.

Application was made in early 1967 for licences covering prospective areas in the East Midlands, following the expiry of a number of licences formerly held by the British Petroleum Company Limited.

The Company was fortunately successful in its application for an area in Lincolnshire where a Production Licence (PL. 023) was granted in September 1967, also for a six-year period, comprising 181 square miles over a prospective region of Rotliegendes sand pinch-outs, one of which was found to be oil-bearing some years ago to the West of the Licence by British Petroleum. Consideration is being given to seismic work over the licence area.

Lancaster Fells Area.

The acreage formerly held by the Company in the Lancaster Fells expired on 31st July and application was made for renewal for the more prospective area comprising 189 square miles in the Northern part of the holdings which includes the Whitmoor structure tested in 1966. A short vibroseis seismic programme was carried out over the Whitmoor anticline to investigate reef development in the Mississippian limestone and the results suggested that the main reef belt lies to the North of Whitmoor No. 1. Following the grant of the Licence (PL. 035) in September 1967, for the six-year period, consideration is being given to further drilling of the Whitmoor structure in due course.

In each of these United Kingdom Licences rentals

are payable at ten shillings per square kilometre annually for the first three years of the Licence term increasing thereafter to £1 per square kilometre for the next three years.

The terms of the Licences require that, in each Licence, seismic work be carried out followed by the drilling of a test well. It is understood, however, that, should the surveys show that geological conditions do not warrant such drilling, the Company will be regarded as having met its obligations if it relinquishes the Licence or Licences within three years from September 1967.

COLIN FOTHERGILL, Ph.D.,D.I.C.,A.R.S.M.,F.G.S.
Consultant.

London, England.
9th August, 1968.

PLACE GAS & OIL COMPANY LIMITED

Summary of operations in Lake Erie and Southwestern Ontario for 1967

To the President and Directors,
The Company holds in good standing in Southwestern Ontario a 100% interest in the following acreage:

Land Leases	741 Acres
Offshore leases in Lake Erie	6,305 Acres
Licenses of Occupation in Lake Erie	27,055 Acres
TOTAL	34,101 Acres

and a 50% interest in:

Offshore in Lake Erie Leases	8,260 Acres
Licenses of Occupation	29,067 Acres
	37,327 Acres

Well drilling activities
During the year the Company drilled five wells on its wholly owned Port Dover acreage, all of which proved to be commercial and were tied into our wholly owned Port Dover gathering system.

Other activities
The Company's marine equipment and personnel were also gainfully employed working for other interests in the Nanticoke area.

Offshore gathering system
During the year the Company extended its wholly owned Port Dover Gathering System by a further 66,082 ft. bringing its total length to 81,782 ft. No additions were made to the wholly owned Walpole-Selkirk 69,158 ft. offshore gathering system or jointly held offshore gathering system comprising 173,727 ft.

Gas and oil production
Gas production was approximately 20% lower than in 1966.

Comparative 1966-1967 figures:

	1966 M. Cu. Ft.	1967 M. Cu. Ft.
Jointly owned Walpole Field	363,001	298,547
Wholly owned Walpole Field	247,791	173,815
Wholly owned Port Dover Field	46,767	58,312
	657,559	530,074

All gas produced was sold to Union Gas Company at 37¢ per M. Cu. Ft. Oil production during the year from the Company's offshore Colchester No. 1 Well amounted to 429 Bbls. of high grade crude oil, as against 4,302 Bbls. in 1966. The income from the Company's 2.6% interest in the Groh No. 1 Well onshore at Colchester amounted to the equivalent of 121¼ Bbls. of high grade crude oil.

All gas and oil sold, with the exception of the Groh No. 1 production is subject to a Government royalty of 10% or the annual cost of the leases, whichever is the greater.

Gas and oil acreage held in southwestern Ontario

Offshore Lake Erie	100% in	33,360 Acres
Offshore Lake Erie	50% in	37,327 Acres
Land Acreage in Chatham Township	100% in	741 Acres

Commercial gas wells drilled to date

Area	Place 100%	Place 50%	Total	Tied-in	Shut-in
Walpole	28	28	56	52	4
Port Dover	9	—	9	3	6
	37	28	65	55	10

1968 program
A new contract with Union Gas Company respecting the Port Dover metering station has been executed to permit the Company to get the maximum benefit from all the wells drilled in the Port Dover area during the year.

The drilling of further offset and step-out wells is planned in the newly developed Port Dover offshore area in order to maintain the Company delivery potential from this source.

May 5th 1968 — Respectfully submitted
R. B. HARKNESS, P. ENG.

15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	Bansco & Co., 44 King Street West, Toronto, Ontario 452,751 Stocken and Concanon, Dashwood House, 69 Old Broad Street, London, E.C.2., England 122,240 Merrill Lynch Pierce Fenner & Smith Inc., 11 King St. West, Toronto, Ontario 119,165 Bongard, Leslie & Co. Limited, 20 King Street West, Toronto, Ontario 101,090 Wood, Gundy Securities Limited, 36 King Street West, Toronto, Ontario 98,687 The Company has no knowledge of the beneficial ownership of the shares held by the companies listed above, except that Mr. Clifford R.J. Smith owns directly or indirectly 202,803 shares of the Company a substantial part of which are registered in the name of Bansco & Co.
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Mr. Clifford R.J. Smith, the President and a Director of the Company, acting together with other large shareholders referred to in Item 15, might be in a position to materially affect control of the Company.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	1 - $1,000 Dominion of Canada 3% Bond maturing September 15, 1996, purchased at a cost of $772.50, with a present market value of approximately $480.00. 4 - $1,000 Government of Canada 5½% Bonds, maturing August 1, 1980, purchased at a cost of $3,920.00 with a present market value of approximately $3,570.00. 1,000 shares of Place Oil & Gas Company (U.K.) Limited with a book value of $203,552.52 - there is no market value for these shares.
18. Brief statement of any lawsuits pending or in process against company or its properties.	There is one action against the Company commenced by a Writ out of the Supreme Court of Ontario served in October, 1961 at the suit of J. Clarence King and Gertrude King. This is an action for alleged damages to land arising out of the laying of pipelines.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	By farmout agreement dated July 16th, 1963, Mitchell & Mitchell Properties, Inc., Houston, Texas, drilled and completed during the years 1963 and 1964 ten wells in Lake Erie and thereby earned an undivided one-half interest in four licences of occupation owned by the Company in that area. These four licences had been formerly held jointly with El Paso Natural Gas Products Company of Texas under a similar drilling arrangement which was subsequently cancelled. By agreement dated July 31st, 1964, Mitchell & Mitchell Properties, Inc. acquired an undivided one-half interest in an additional four licences of occupation from the Company in consideration of Mitchell & Mitchell Properties, Inc. paying to the Company a cash consideration for commercial wells already drilled thereon and the drilling of eight additional wells on these licences. At the date of this filing all of the eight wells have been drilled. By agreement dated the 26th day of July, 1968, the Company has agreed to drill one or more wells to an approximate depth of 1100 feet each for Pinetree Explorations Limited on Pinetree's Lake Erie holdings, at a cost of $25,850.00 each in the event the well or wel's are non-commercial or at a cost of $31,200.00 each in the event the well or wells are commercial.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	On the 4th day of April, 1967, Place Oil & Gas Company (U.K.) Limited acting on its own behalf (45%) and on behalf of Noranda Mines Limited (27%), Kerr Addison Mines Ltd. (18%), and Husky Oil (Alberta) Ltd. (10%) (hereinafter collectively referred to as the "Place Group") entered into an agreement with The Burmah Oil Exploration Company Limited acting on its own behalf and on behalf of Imperial Chemical Industries Ltd., Gulf Oil (Great Britain) Ltd., North Sea Ventures Co. Ltd., Amax Petroleum (U.K.) Ltd., North Sea Selection Co. Ltd. and Falcon Seaboard Ltd. (hereinafter collectively referred to as the "Burmah-Humber Group") relating to the 700 square miles held under Place Oil & Gas Co. (U.K.) Limited licences P045 and P080. The Burmah-Humber Group has drilled two exploratory wells on the said licences and paid 75% of the cost of the said programme, the balance of 25% was paid by the Place Group. In accordance with the terms of the said agreement the Burmah-Humber Group has earned a 33-1/3% interest in the said licences and has an option to drill a third well on the said licences before the end of the year 1968 and if it elects to do so it will again be required to pay 75% of the cost, the Place Group being required to pay the balance and the Burmah-Humber Group would thereby increase its percentage interest in the said licences to 50%. No shares of the Company are in the course of primary distribution and there are no other material facts known to the signatories hereto at the present time.

DATED July 30, 1968

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"R.J. Smith" CORPORATE SEAL

"J.D.S. Rohme"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)